



Office of Inspector General  
*U.S. Department of State*  
*and the*  
*Broadcasting Board of Governors*

# MONTHLY REPORT OF **ACTIVITIES**

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*audits, inspections, testimony, and special activities*

**December 1999**

This report describes testimony provided by the Inspector General or other OIG officials and lists OIG reports issued during the period indicated. This report includes unclassified summaries of classified reports; all text in this report is unclassified. Classified reports are not distributed publicly. On occasion, OIG distributes an unclassified version of a classified report; in such a case, this listing also indicates the issued date of the original report. In addition, all major reports, together with OIG investigative activities are summarized in the Inspector General's semiannual reports to the Congress, which are publicly available every June and December.

## **Congressional and Outreach Activities**

### **Global Readiness and the Year 2000 Computer Problem**

The Inspector General conducted a training module on Global Readiness and the Year 2000 Computer Problem at a seminar sponsored by the American Law Institute – American Bar Association Committee on Continuing Education on December 2, 1999. The Inspector General discussed the oversight role of the office in assessing the State Department's preparedness in addressing the Y2K computer program and the audit team's global assessments of host country preparedness based on site visits to 31 countries and survey responses reported by our embassies and consulates abroad. Also discussed were the implications of Y2K related computer problems on the global economy and trade as it relates to the complex network of suppliers, distributors, service providers and customers; and host country preparedness in the key sector areas of energy, transportation, telecommunications, financing and banking, and health care.

### **Role of OIG's in Performance Measurement and Management**

On December 16, the Inspector General addressed the Greater Washington Society of Certified Public Accountants Government Accounting and Auditing Committee on the role of OIG's in performance measurement and management. Following a summary of the Government Performance and Results Act, the IG discussed the role of agencies and offices of inspector general in performance measurement, including the obstacles they face in collecting and analyzing data. She then discussed her own office's approach to assessing the Department of State's performance planning, and data collection and analysis efforts.

## **Reports Issued by the Office of Audits**

### **Memorandum Report on Review of Allegations Regarding Construction of Warehouse/Annex at Embassy Ulaanbaatar (00-PP-002)**

The Office of Inspector General (OIG) reviewed allegations pertaining to the construction of a warehouse/annex at Embassy Ulaanbaatar, Mongolia. In January 1999, a source outside the Department of State (the Department) raised allegations regarding improper activities by the prime contractor on the project to construct the warehouse/annex, to a senior official at Embassy Ulaanbaatar. This official, in turn, reported the allegations to OIG's Office of Investigations through the OIG Hotline, which then referred the matter to the Office of Audits. The source alleged that the prime contractor was unqualified to carry out the contract, and that the Department overpaid for this firm's services. The source also alleged that this firm was not authorized to use subcontractors and had mistreated its subcontractors. The objective of the review was to evaluate the merits of the allegations and determine if further action was warranted.

OIG found no evidence that supported the allegations against the contractor, but questionable contract administration practices by the Department may have contributed to the allegations. For example, the Department awarded a \$133,247 contract modification to the contractor for services that appeared to have been already covered in the prime contract. Although OIG accepted the Department's position on this modification, the lack of adequate contract file documentation and other shortcomings reflected poor contract management practices. OIG has included a recommendation that these practices be reviewed and strengthened as appropriate.

### **Review of Department of State Actions Regarding U.S. Funding for the International Civilian Mission in Haiti (00-CG-003)**

In response to a letter from Chairman of the Senate Committee on Foreign Relations, the Office of Inspector General performed a review of the actions of Department of State officials regarding U.S. funding for the joint Organization of American States (OAS)/United Nations International Civilian Mission in Haiti (MICIVIH). The chairman requested that OIG address several questions to determine if any Department officials made any commitments to OAS with

regard to the 1999 congressional appropriation of funds for MICIVIH or encouraged OAS to spend money it did not have.

OIG found no basis to conclude that anyone in the Department made any commitments to OAS officials about the funding for MICIVIH or encouraged OAS to continue operations without funding.

### **Review of Nontax Delinquent Debt (00-FM-004)**

The Office of Inspector General reviewed the Department of State's compliance with the Debt Collection Improvement Act of 1996 (P.L. 104-134; 110 Stat. 1321-358), also known as DCIA. This audit is part of a President's Council on Integrity and Efficiency governmentwide review of nontax delinquent debt. Nontax delinquent debt includes debt unrelated to taxes owed by individuals to Federal agencies. The objectives of the review were to determine whether the Department's share of the reported \$60 billion governmentwide in nontax delinquent debt accurately represents the universe of nontax delinquent debt and to evaluate the ages and collectibility of the Department's delinquent debt. Also, the audit evaluated the Department's portfolio management activities to ensure that these practices minimize loss to the Federal Government.

OIG found that the Department has diligently worked towards meeting the objectives put forth by DCIA to collect delinquent debts owed to the Federal Government and reduce losses arising from inadequate debt management activities. However, the audit identified several areas where improvements can be made. Based on our review, OIG found that the Department was not routinely sending delinquent debt for cross-servicing activities; the amount of debt sent to the U.S. Department of Treasury for collection did not include accurate and complete amounts for interest, penalty, and administrative charges; and improvements can be made in debt management including producing a reliable aging schedule.

## **Reports Issued by the Office of Inspections**

The Office of Inspections issued no reports in December.

## **Reports Issued by the Office of Security and Intelligence Oversight**

During this reporting period, the following OIG security oversight inspections were completed: Embassy Rome, Italy, and the US Mission to the UN Agencies for Food and Agriculture; The Foreign National Employee Program in Russia; Office of Cuba Broadcasting (Radio Marti) Miami, Florida; Embassy Dakar, Senegal; Embassy Abidjan, Cote d'Ivoire; and Embassy Paris, France, and US Mission for Economic Cooperation and Development, Paris, France.